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NSA review completed

B. At Port Said, the Egyptians had sunk at least one large dredger--the canal company's best--one salvage vessel, three floating cranes. None of these was loaded with ballast. One large freighter and one large barge have been observed moored end-to-end across the channel, ready for scuttling.

C. Most of the canal's other floating salvage, dredging and maintenance equipment is reported to have been scuttled throughout the canal. The effect of these actions has not yet been fully assessed.

D. Some 40 miles south of Port Said, the abutments of the Firdan Bridge (the only highway crossing the canal) have been blown into the canal. The railroad bridge at Qantara may also have been demolished.

E. Immediately south of Lake Timsah, above Ismailia, the Egyptians have sunk an LST, loaded with rock ballast, leaving only the hull.

~~This vessel had been prepared as a block ship, and was attacked by British naval aircraft in an effort to sink it out of the ship channel. The attack was not a complete success.~~

F. At the south end of the canal, near the town of Suez, ~~one~~ one Egyptian Navy frigate and ~~one~~ a fishing boat of ~~undetermined~~ ~~one~~ ~~boat~~ were sunk across the channel.

G. The Egyptians ~~are~~ further impeded clearing of the canal by ~~damaged~~ destruction of the fresh water canal and pumping station which supplies Port Said. There is no fresh water in the canal zone, and it must be brought by canal from the Suez area.

NSA review completed

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7 NOVEMBER 1956

EGYPTIAN SITUATION

but

I. Nasr still controls government of Egypt. His prestige has been shaken with some groups... Egypt's intellectuals, probably some army, and Negro personnel. *has not ed*

A. But no sign so far that disillusionment is turning into kind of opposition that could bring him down. Soviet moves have strengthened him *last few days*. at Port Said

B. Fact that Egypt did not fold up at once in face of combined Israeli-French-British assault appears to have been a boost for Nasr. Port Said skirmish a "Stalingrad"-like battle lost to French + British

C. Additional factor in Nasr's apparent control is lack of *Anwar*. No clear alternative Nasr.

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1. French-controlled radio "Free Egypt" has called on populace to rise in favor of Naguib

2. Unless UK-French occupation extends beyond Canal Zone new revolution or coup in Egypt seems unlikely in immediate future

3. Internal security in Egypt still good, although--prior to cease-fire--reported weakening in face continued air attacks.

A. Resumption Anglo-French attack could lead to serious rioting, despite regime's apparent determination maintain order.

I.C. Nasser's military situation poor for prolonged conventional war
against major aggression, but not hopeless for
anti-guerrilla campaign--"street to street, house to house"--such
as he has contemplated.

Ground forces (~~not available to Nasser alone~~)

Diplomatically, ~~the Egyptian army~~ 90,000,

though overall organization weak. *Morale doubtful*

Major portion of armor still available: at least 3 armored
groups (tanks, infantry and self-propelled artillery) left
after Sinai losses.

B. Egyptian air force inoperative.

i. Some planes--IL-28's, a few transports, and possibly some
MiG's--have been sent to safety in Saudi Arabia, Syria.

25X1

C. Egypt's navy also ~~also~~ ^{Mosque} ~~also~~ ^{also} ~~also~~. One naval vessel
~~safely~~ in Saudi harbor. ~~units~~ ^{units} at Alexandria and Suez
~~units~~.

D. Egyptians buoyed up, at least temporarily, by Soviet "tough
talk."

i. Sound trucks went round Alexandria streets 5 Nov announcing
Sov aid coming.

Sov. aid

ii. Nasser will try to use combination of Soviet threats and cease-fire
to better his bargaining position.

A. Already signs that regime's earlier willingness to give US
virtual carte blanche to save Egypt from French and British
has diminished.

B. As of now, Soviets have regained serious losses of prestige--in Egypt and other Arab states--they suffered during first week of hostilities.

C. Local populations will probably attribute announcement to Anglo-French cease-fire to Soviet intervention threats.

v. As to the Suez Canal, Anglo-French invasion forces claim to control
it from Port Said to ~~Lebanon~~^(Pancrasia). But I only
~~Cambodia~~ ~~China~~

A. At least 7,000 Anglo-French troops landed in the Port Said area prior to the cease-fire at 0200 hours local time, 7 November.

~~D. The Anglo-French forces have declared that they will no longer support the revolution, with instructions to all their troops. No cease fire.~~

VI. The British Admiralty says it may take two to three months to restore canal operations.

A. The approaches to the northern and southern entrances to the canal have been mined. It is also possible that mine wings have been planted in the canal. Lighthouses and navigational aids have been destroyed or damaged--including the lighthouses on SHIOWAN ISLAND and THE BROTHERS, in the north of the Gulf of Siam and the islands.

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B. ~~Syrian civilians~~ ^{A not} also anxious not to start war, though they fatalistically assert themselves bound to Egyptian ~~wishes~~.

1... Utter incapacity Syrian army for major operations

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~~Syrian civilians, who despite some recent gains, appear powerless to oust their G-2 chief Sarraj, who favors immediate aid to~~

9-2, head of Sabotage, weeked
SAYKAJ, apparently responsible for sabotage to IPC pipelines
in Syria.

25X1

~~[REDACTED]~~ - Iraq -

IX. Rule of near neighbour [REDACTED] sent troops into Jordan [REDACTED] after written request from King Hussain and much haggling over command set-up, is still obscure.

A. Iraq may hope to be residual factor in partition of Jordan.

1. Leader [REDACTED],

B. Baghdad may be doing the least it feels it can getaway with in way of gestures to support Arab unity.

1. Nuri's known pro-British posture has already brought criticism; [one-officer-mentioned] army might not follow Nuri's orders if he sought to protect British.

2. Finally, A small detachment of Saudi troops has also moved into Jordan, on the south.

X. Meanwhile from Israeli view partition of Jordan and Syria disorder and disorganization in each country all this provides Israelis with golden excuse to move troops to occupy West Jordan, thus completing Israeli conquest of all of old Palestine mandate.

A. ~~Soviet note to P. [unclear] in which single
[unclear] giving [unclear] st.~~

X2. Perhaps most serious problem, from overall European view, is Arab sabotage of oil installations. Thus far, sabotage has chiefly hit IPC facilities in Syria and Lebanon.

On 3 Nov, one Syrian pumping station (T-2) was destroyed and two others (T-3 and T-4) seriously damaged. On 5 Nov, IPC pipelines near Tripoli, in Lebanon, were blown up. Earlier a fire was reported at the terminal of one of the IPC lines at Barriyas, in Syria.

C. The IPC lines, carrying oil from Kirkuk, in Iraq, normally account for over two-thirds of the average 95,000 tons/day of Middle East oil piped to Mediterranean ports. It may take 2 to 6 months to have these lines back in full operation, as though pumping at a reduced rate ~~can~~ probably soon be resumed.

~~Other sabotage has been relatively minor.~~

1. ~~A small field-to-refinery pipeline on Qatar was sabotaged on 2 November, but has since been repaired.~~
2. Reports of damage to Aramco's TAPLINE have thus far proved false.

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With further sabotage, Western Europe now faces petroleum shortage. Almost 90% of WE oil has come from Middle East (on basis, WE consumes 275,000 tons of oil--of which 150,000 originally passed through Suez, 95,000 tons through pipelines). Admiralty already mentioned Admiralty estimates that it will take two to three months to clear canals. Daily delivery capacity of tankers engaged in Persian Gulf-Western Europe run will be cut 45 percent, if rerouted around the Cape.

I. Moreover, such rerouting would entail an initial loss of 15 days' supply because of the additional time required for the Cape route.

II. Only oil now arriving at Mediterranean via pipeline is through TAPLINE (plus 27,000 tons/day), and the TAPLINE terminals are under long notice. British & French precautions against sabotage, has stopped loading ~~tankers~~ tankers coming from Britain and France.

Saudi Arabia has banned all oil shipments to Britain and France. A report ~~not~~ states that operations at the British refinery are also being cut down, as a result of Saudi cutting off ~~some~~ crude supplies (Saudi crude has accounted for ~~most~~ of its Bahrain refinery, ~~throughput~~).

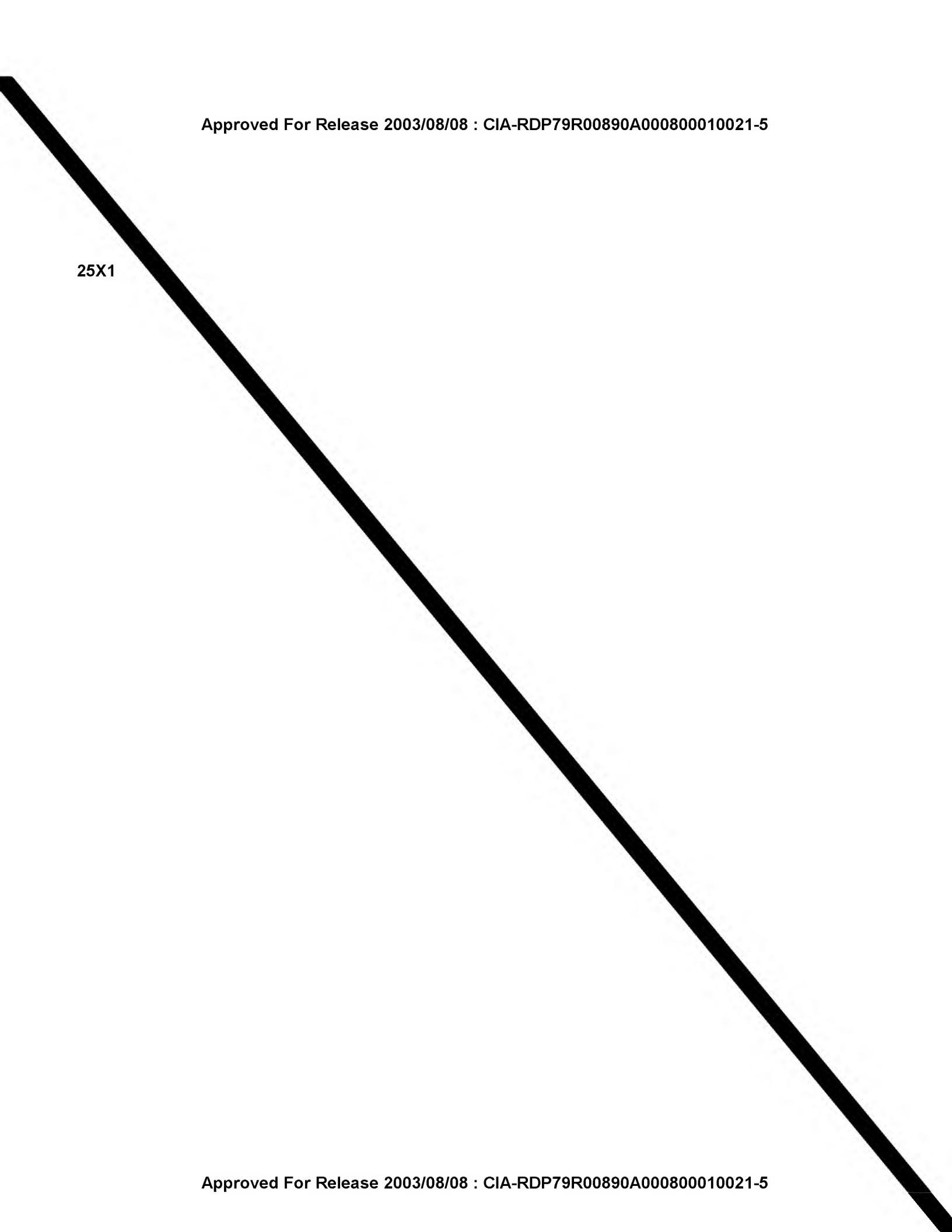
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... and on a number of other occasions
the British prime minister has
announced a 10-percent cut in domestic oil and
gas consumption.

The French and West Germans are at similar positions and
are also employing allocation measures.

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